

SENATE BILL NO. 239

INTRODUCED BY WHEAT

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN INVESTOR EDUCATION FUND TO BE ADMINISTERED BY THE SECURITIES COMMISSIONER; PROVIDING A SOURCE OF FUNDS FOR THE INVESTOR EDUCATION FUND; AMENDING SECTION 30-10-115, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Investor education fund -- EXPENDITURE LIMITATIONS.** (1) The commissioner shall establish an investor education fund to be funded as provided in 30-10-115(2)(b).

(2) The commissioner shall administer the investor education fund for the following purposes:

(a) to inform and educate the public regarding investments in securities in order to help investors and potential investors:

(i) evaluate their investment decisions;

(ii) protect themselves from unfair, inequitable, or fraudulent offerings;

(iii) choose their broker-dealers, investment advisers, and investment adviser representatives more carefully;

(iv) be alert for false or misleading advertising or other harmful practices; and

(v) know their rights as investors; and

(b) to pay for:

(i) costs, expenses, travel expenses, and charges incurred in connection with the presentation and dissemination of information to the public, including the cost of printing copies of the Securities Act of Montana, Title 30, chapter 10, parts 1 through 3, rules adopted under those parts, and other materials designed to inform the public;

(ii) costs of advertising and promotional materials;

(iii) costs of equipment necessary for public presentations; and

(iv) costs of training personnel with respect to conducting public presentations.

(3) MATERIAL PRINTED FOR THE PURPOSES OF THIS SECTION MAY INCLUDE THE ADDRESS, TELEPHONE NUMBER,

1 AND ELECTRONIC CONTACT INFORMATION FOR THE COMMISSIONER BUT MAY NOT INCLUDE AN OFFICIAL'S NAME.

2 (4) TRAVEL EXPENSES UNDER THIS SECTION MAY NOT BE USED TO COVER THE COSTS OF TRAVEL OR PER DIEM
3 FOR THE COMMISSIONER.

4 (5) THE INVESTOR EDUCATION FUND MAY NOT PROMOTE OR HINDER THE OFFER, SALE, OR COMPETITIVE
5 MARKETING OF ANY SPECIFIC PRODUCT BY A LICENSED SECURITIES PROFESSIONAL.

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7 **Section 2.** Section 30-10-115, MCA, is amended to read:

8 **"30-10-115. Deposits to general fund.** (1) ~~At~~ EXCEPT AS PROVIDED IN SUBSECTION (2), ALL fees and
9 miscellaneous charges received by the commissioner pursuant to parts 1 through 3 of this chapter, ~~except for~~
10 ~~portfolio notice filing fees described in 30-10-209(1)(d), examination costs collected under 30-10-210, and the~~
11 ~~amount set aside in subsection (2)(b) of this section,~~ must be deposited in the general fund.

12 (2) (a) All portfolio notice filing fees collected under 30-10-209(1)(d) and examination costs collected
13 under 30-10-210 must be deposited in the state special revenue account to the credit of the state auditor's office.
14 The funds allocated by this ~~section~~ subsection (2)(a) to the state special revenue account may ~~only~~ be used only
15 to defray the expenses of the state auditor's office in discharging its administrative and regulatory powers and
16 duties in relation to portfolio notice filing and examinations. Any excess fees must be deposited in the general
17 fund.

18 (b) (i) ~~Fifty percent~~ EACH FISCAL YEAR, \$100,000 of all fees and miscellaneous charges received by the
19 commissioner pursuant to parts 1 through 3 of this chapter, other than the money collected under subsection
20 (2)(a), must be deposited in the state special revenue account to the credit of the state auditor's office. The funds
21 allocated by this subsection (2)(b) may be used only to fund the investor education fund established in [section
22 1].

23 (ii) ~~if~~ FOR FISCAL YEAR 2005, \$100,000 MUST BE DEPOSITED PRIOR TO THE END OF THE FISCAL YEAR PURSUANT
24 TO SUBSECTION (2)(B)(I). BEGINNING JULY 1, 2006, at the end of each fiscal year, the balance in the investor
25 education fund exceeds \$100,000, the excess must be deposited in the general fund."

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27 **NEW SECTION. Section 3. Codification instruction.** [Section 1] is intended to be codified as an
28 integral part of Title 30, chapter 10, part 1, and the provisions of Title 30, chapter 10, part 1, apply to [section 1].

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30 **NEW SECTION. SECTION 4. SAVING CLAUSE.** [SECTION 1(3) OF THIS ACT] DOES NOT AFFECT MATERIAL THAT

1 WAS PRINTED BEFORE [THE EFFECTIVE DATE OF THIS ACT].

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3 NEW SECTION. **Section 5. Effective date.** [This act] is effective ~~July~~ JUNE 1, 2005.

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